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August 27, 2007

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-9275

Re: Olla Field - Annona Chalk, Reservoir A
LaSalle Parish, Louisiana
My File No. 2007-385

Proposed Units Located in all or portions of Sections 33, 34, 35, 36,
Township 10 North, Range 2 East, and Sections 1, 2, 3, 4, 11, 12,
Township 9 North, Range 2 East

APPLICATION FOR PUBLIC HEARING

Application is hereby made on behalf of Justiss Oil Company., Inc, P.O. Box 2990, Jena, Louisiana 71342 for a public hearing to consider evidence relative to the issuance of an Order pertaining to the above captioned and the following matters:

1. To establish rules and regulations and to create seven (7) drilling and production units for the exploration for and production of oil, gas and condensate from the Annona Chalk, Reservoir A, in the Olla Field, LaSalle Parish, Louisiana, said units to be designated ANN C RA SUA through ANN C RA SUG, respectively, all as shown on the plat attached hereto and made a part hereof.

2. To force pool and integrate all separately owned tracts, mineral interests and other property interests within each of the proposed units and with each sharing in unit production on a surface acreage basis of participation.

3. To authorize special field spacing rules for future horizontal wells drilled to the Annona Chalk, Reservoir A, in Olla Field, which would provide as follows:

- (a) that the penetration point and terminus of any lateral of any such horizontal well should be located no closer than 330 feet to any unit boundary;
- (b) that the distance from any point along the productive portion and those unit boundaries which run generally parallel to the direction in which the laterals are drilled should not be less than 500 feet; and,
- (c) that there be no well spacing limitations between wells other than that accomplished by application of the previously stated provisions.

4. To authorize special field rules for future vertical wells drilled to the Annona Chalk, Reservoir A, in Olla Field, which would provide for: (a) well bore location no closer than 330 feet to any unit boundary and (b) that there be no well spacing limitations between wells other than that accomplished by application of Item 4(a).

5. To provide that future horizontal wells drilled to the Annona Chalk, Reservoir A, in the Olla Field, be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit the economic development and reservoir depletion without causing waste in accordance with the provisions of Statewide Order No. 151-A-2 (LAC43:XIX.3701-3709).

6. To provide that two (2) currently existing vertical wells drilled to and producing from the Annona Chalk, Reservoir A, in the Olla Field, namely the Justiss Oil Company, Inc- LA Central IPNH No. 1 and Justiss Oil Company, Inc- LA Central IPNH No. No. 4, be granted exception to the proposed special field rules referenced in Item No. 4 above. The Justiss Oil Company, Inc - LA Central IPNH No. 1 is located 160' FWL of the boundary between proposed ANN C RA SUC and ANN C RA SUD. The Justiss Oil Company, Inc - LA Central IPNH No. 4 is located 300' FWL of the boundary between proposed ANN C RA SUA and ANN C RA SUB, both in exception to the proposed special field rules set forth above.

7. To designate the four (4) currently existing wells as unit wells and Justiss Oil Company, Inc as Operator for the following proposed drilling and production units:

Justiss Oil Company, Inc - LA Central IPNH No. 1 for ANN C RA SUC
Justiss Oil Company, Inc - LA Central IPNH No. 2 for ANN C RA SUD
Justiss Oil Company, Inc - LA Central IPNH No. 3 for ANN C RA SUB
Justiss Oil Company, Inc - LA Central IPNH No. 4 for ANN C RA SUA

8. To designate the proposed Justiss Oil Company, Inc - LA Central IPNH No. 5 for ANN C RA SUC shown on the attached plat as an alternate unit well, and to determine that the proposed location of said well will effectively and efficiently drain portions of the reservoir which would not otherwise be drained by the existing well bore in ANN C RA SUC absent the approval of the alternate unit well.

9. To determine that the proposed locations of the wells shown in Paragraph 6 above as exceptional locations will effectively and efficiently drain portions of the reservoir which would not otherwise be drained absent the approval of the exceptional locations.

10. To consider such other matters as may be pertinent and which the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Annona Chalk, Reservoir A, in Olla Field, is proposed to be defined as being that oil, gas and condensate bearing formation encountered between the depths of 4464 feet and 4594 feet (electrical log measurements) in the Justiss Oil Company, Inc - LA Central IPNH Well No. 3 (SN 235071), located in Section 1, Township 9 North, Range 2 East, LaSalle Parish, Louisiana.

A pre-application conference was requested in this matter, and was noticed in accordance with law and held on August 24, 2007. In attendance were the following parties: On behalf of Hunt Petroleum, Paul Abadie, Mike Carter, Mike Ganey, and Brad Russell appeared. Peter Arnett and Luis Chirinos appeared on behalf of Petro-Hunt, L.L.C. Representatives of Justiss Oil Company Inc. present were undersigned counsel, William B. "Bo" McCartney Jr, William J. Ross of Justiss Oil, and Earl W. Peavy, engineering consultant to Justiss Oil Company, Inc.

The conference revealed some disagreement amongst the parties. This disagreement touched upon the size of the proposed units and around the timing of the application. Although no formal opposing plan was presented at the conference, it is possible that an opposing plan may be proposed by Hunt Petroleum and/or by Petro-Hunt, L.L.C. The likelihood of the presentation of an opposing plan is unknown.

Copies of any pertinent data which might be used at any hearing to be held in this matter may be viewed by any interested party at the offices of Justiss Oil Company at 1120 East Oak Street, Jena, Louisiana, between the hours of 8:00 o'clock A.M. and 5:00 o'clock P.M., Monday-Friday, by making an appointment with William J. Ross at 318-992-4111.

Attached to and made a part hereof is a plat outlining the applicant's proposal, along with the list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being mailed. Pursuant to the Revised Rules of Procedure, such list is being furnished only to the Commissioner of Conservation and to the District Manager of the Monroe District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies.

In accordance with the Rules of Procedure, the applicant has made a diligent effort to obtain the names and addresses of all interested owners, represented parties, and interested parties to whom notice of this application should be sent and a list of such names is attached hereto.

The applicant shall cause a copy of the Legal Notice to be published in a newspaper of general circulation in LaSalle Parish, Louisiana and shall post a copy of the Legal Notice in a prominent place at the LaSalle Parish Courthouse, Jena, Louisiana.

A copy of this letter, the attached plat and list of interested owners and represented parties is also being sent to the District Manager of the Monroe District Office.

Enclosed is a Justiss Oil Co., Inc. check in the amount of \$755.00 as payment of the required filing fees.

Yours Very Truly,

Dorroh & Kendrick, A PLC



By: STEVEN P. KENDRICK

xc: Mr. Clarence Chandler
Office of Conservation
Monroe District Office
P.O. Drawer 1651
Monroe, LA 71210

Interested Owners, Interested Parties, and Represented Parties (plat attached)

Enclosures to Office of Conservation and District Office: Plat and list of interested owners and represented parties)

